



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 16 2018 (ending 20/04/2018)

**“Make no small plans for they have no power to stir the soul.” – Niccolò Machiavelli**

**Department of Finance revises up Irish GDP growth forecasts** – The Department of Finance in its latest Draft Stability Programme Update predicted continuation of strong economic growth with 2018 growth revised up to 5.6% and up to 4% in 2019. It expects unemployment to average 5.8% this year and 5.3% in 2019.

**Eurozone annual inflation increases to 1.3% in March** – The EU's statistics agency, Eurostat, reported that annual inflation in the eurozone rose to 1.3% in March from 1.1% in February, bringing to an end several months of decline. This is still well below the European Central Bank's annual inflation target of just below 2%.

**Global stock market up 0.8% on the week** – The MSCI AC World TR Index showed a 0.76% rise from 13th April to 20th April, as worries about the conflict in Syria receded and a majority of quarterly corporate earnings reports beat consensus estimates. The CBOE Vix closed the week at 16.88, down very slightly from 17.41.

**IMF forecasts stronger growth in 2018 and 2019** – In its April World Economic Outlook, the International Monetary Fund has forecast that global growth will increase from 3.8% in 2017 (the highest since 2011) to 3.9% in 2018 and 2019 boosted by expansion in the United States and Europe but growth will slow after 2019.

**BOE's Carney downplays likelihood of UK rate increase in May** – The Bank of England governor Mark Carney cast some doubt on market expectations for a rate rise at the next Monetary Policy Committee in May as he highlighted mixed UK economic data in recent months as well as continued uncertainty around the Brexit process.

**China's Q1 economic growth beats forecasts** – The National Statistics Bureau reported that the world's number two economy grew 6.8% in the first quarter, exceeding the 6.7% growth forecast by analysts surveyed by AFP, matching Q4 2017 growth despite its clampdown on financial risk / pollution and U.S. trade tensions.

**The Story of the week:** Gilberto Escamilla, 53, from Texas has been jailed for 50 years after stealing \$1.2m worth of fajitas over a period of nine years. He arranged for deliveries of the Mexican meal to the Darrell B Hester Juvenile Detention Centre where he worked, but would sell them on himself the same day. He was caught out last August when he took the day off to go to a medical appointment. The centre's meat supplier called to confirm an order of 880lbs of fajitas, and the employee who answered informed them the centre never served the spicy snack.

**DISCLOSURE:** Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment and has not been prepared based on the financial needs or objectives of any particular person. It is intended for the use of institutional and other professional investors. Past performance and forecasts may not be a reliable guide to future performance and performance may fall as well as rise. Changes in currency exchange rates may have an adverse effect on the value, price or income of any investment asset.

# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD (to 20/04)</b>
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	0.0
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-2.0
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-2.8
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	0.2
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	0.4
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	3.5
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-2.6
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	1.0
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	0.1
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
U.S.	3.0	2.2	2.2	2.4	2.4	3.0
German	1.9	0.5	0.6	0.2	0.4	0.6
UK	3.0	1.9	1.9	1.2	1.2	1.5
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	1.8
Greece	8.2	9.6	7.9	7.1	4.1	4.0
Portugal	6.1	2.7	2.5	3.8	1.9	1.7
Spain	4.1	1.6	1.7	1.4	1.6	1.3
<b>Central Bank Rates (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.75
<b>Foreign Exchange Rates</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.22
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.40
<b>IPD All Property Return % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

\*Past performance is not a reliable guide to future performance